

**Henry P. Roybal**  
*Commissioner, District 1*

**Anna Hansen**  
*Commissioner, District 2*

**Rudy N. Garcia**  
*Commissioner, District 3*



**Anna T. Hamilton**  
*Commissioner, District 4*

**Ed Moreno**  
*Commissioner, District 5*

**Katherine Miller**  
*County Manager*

---

---

**MEMORANDUM**

---

---

**DATE:**

**To:** Santa Fe County Board of County Commissioners

**From:** Yvonne Herrera, Accounting & Financial Reporting Manager

**Via:** Katherine Miller, County Manager

**RE:** Finance and Purchasing Report for the Month Ending January 31, 2019

---

**ISSUE**

The following report summarizes the financial and purchasing activities of Santa Fe County (SFC) through the end of January 2019, Fiscal Year 2019 (July 1, 2018 through January 31, 2019).

**BACKGROUND**

This report presents unaudited revenue and expenditure results across all funds, including details on the general fund, gross receipts tax revenues, and property tax revenues. Revenues and expenditures are presented exclusive of transfers. Overall, recurring revenues are up \$8.9 million, or 9.4%, over the same period in the previous fiscal year due primarily to growth in gross receipts tax collections and charges for services. Recurring expenditures increased \$1.9 million over the prior year, an increase of 3.1%.

**RECURRING REVENUES**

Through January 31<sup>st</sup> of Fiscal Year 2019, revenue collections across all SFC funds totaled \$103.8 million. Total revenue is comprised of taxes, fees, fines, grants, joint powers agreement receipts, subsidies and miscellaneous revenue sources. Total revenue collected through January 31, 2019 exceeded Fiscal Year 2018 for the same period by \$8.9 million, a 9.4% increase.

See the table below for detailed comparison of year-over-year revenue results.

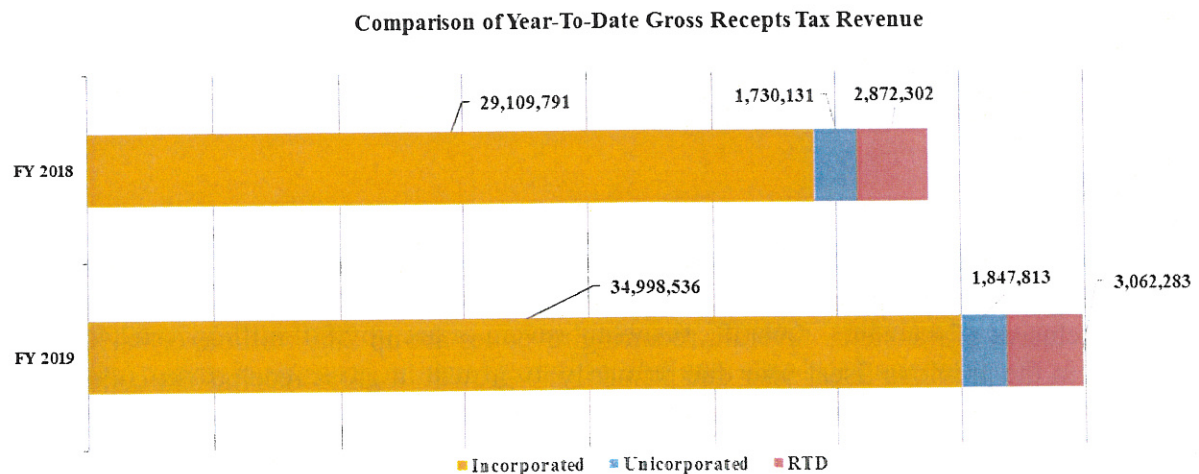
	FY18 YTD	FY19 YTD	Difference	Percent Change
SFC Property Tax Revenue	\$ 42,434,414	\$ 42,873,742	\$ 439,328	1.0%
Gross Receipts Tax	33,712,226	39,908,632	6,196,406	18.4%
Charges for Services	11,751,061	14,018,241	2,267,180	19.3%
Other Taxes Collected	2,389,731	2,474,896	85,165	3.6%
Intergovernmental and Subsidies	1,780,249	2,332,414	552,165	31.0%
Misc. Revenue	2,106,825	1,577,926	(528,899)	-25.1%
Licenses, Permits & Fees	552,405	471,765	(80,640)	-14.6%
Fines & Forfeitures	196,871	171,959	(24,912)	-12.7%
<b>Total Recurring Revenue</b>	<b>\$ 94,923,782</b>	<b>\$ 103,829,575</b>	<b>\$ 8,905,793</b>	<b>9.4%</b>

### **Gross Receipts Tax:**

In Fiscal Year 2018, Santa Fe County enacted and began to realize income from the new gross receipts tax increment in the period ending March 31, 2018. Fiscal Year 2019 collections for the new tax increment totaled \$2.9 million.

Fiscal year-to-date collections include \$3.1 million collected as a “pass through” for the Regional Transit District (RTD).

The following chart presents year-over-year comparison of gross receipts tax collections for the incorporated area of SFC, the unincorporated area of SFC, and the RTD pass-through increment.



### **Property Tax:**

Through January 31<sup>st</sup> of Fiscal Year 2019, property tax revenue collections were \$42.9 million (excluding the Property Valuation Fund), \$1.0 million higher than the same period in the previous fiscal year, an increase of 2.3%. The net taxable valuation for tax year 2018 is \$128 million higher than tax year 2017.

### **RECURRING EXPENDITURES**

Total recurring expenditures through January 31<sup>st</sup> of Fiscal Year 2019 were \$63.8 million, an increase of \$1.9 million, or 3.1%, compared to the same period of the previous fiscal year.



The following table presents total recurring expenditures by expense category.

	FY18 YTD	FY19 YTD	Difference	Percent Change
Salaries & Benefits	\$ 41,694,130	\$ 44,599,047	\$ 2,904,917	7.0%
Services	7,191,060	6,951,505	(239,555)	-3.3%
Other Operating Costs	5,454,017	5,464,868	10,851	0.2%
Insurance & Deductibles	1,747,493	1,484,949	(262,544)	-15.0%
Healthcare Assistance Programs	1,789,315	1,866,159	76,844	4.3%
Supplies	1,355,381	1,155,353	(200,028)	-14.8%
Maintenance	1,330,747	963,776	(366,971)	-27.6%
Vehicle Fuel & Maintenance	932,670	989,257	56,587	6.1%
Public Safety Expenses	189,445	207,670	18,225	9.6%
Travel	198,689	127,720	(70,969)	-35.7%
<b>Total Recurring Expenses</b>	<b>\$ 61,882,947</b>	<b>\$ 63,810,304</b>	<b>\$ 1,927,357</b>	<b>3.1%</b>

Reported expenditures exclude the following non-recurring costs: subsidies through the down payment assistance program of \$60,000, election costs of \$33,962, capital purchases of \$17.0 million, and debt service on bonds totaling \$18.0 million.

### **OTHER FINANCIAL INFORMATION**

The Finance Division began closing monthly periods in Fiscal Year 2019 during the month of January 2019 as each month is reconciled. In addition, the Finance Division prepared Federal Forms W-2 for employees and 1099s for vendors and were distributed as of January 31, 2019. The Finance Division held budget review hearings with departments and are continuing to prepare the Santa Fe County Fiscal Year 2020 budget. The Finance Division has distributed its annual year-end closing memo for Fiscal Year 2019 and is preparing to hold four year end meetings throughout County offices.

The Finance Division is working to document its procedures and business processes to provide for smoother staff transitions and to enhance internal controls. The Finance Division is also updating the Santa Fe County Accounting Manual, which was last updated in 2008.

Payroll is in the process of filling one vacant position, the Payroll Specialist.

During this reporting period, Purchasing initiated encumbrance reporting to all County Departments in an effort to better manage their requisitions or pre-encumbrances.

Purchasing and Finance staff are scheduling additional training programs in FY19. The Purchasing Manager has initiated monthly meetings with each Department to discuss status and planning of current and future projects.

The Purchasing Division is in the process of filling two vacancies, both Procurement Specialists.









DATE: February 14, 2019  
 TO: Katherine Miller, Santa Fe County Manager / Tony Flores, SFCo Dep. Manager  
 FROM: Eric Witt, Director, Santa Fe Film Office  
 RE: **SANTA FE FILM OFFICE: FY2017-19 PERFORMANCE HIGHLIGHTS**

**FY 2017**, the first year of operation of the Santa Fe Film Office, saw record levels of production throughout the region. Total local production spend doubled over the previous year, from approximately \$70mm in FY2016 to approximately \$145mm in FY2017. This generated roughly \$435mm in total economic activity in the region, and an estimated \$10mm-12mm in revenue to local government (City and County) through GRT, Lodgers Tax and miscellaneous other licensing and fees.

In **2018**, production throughout the state dropped by 50% due largely to the state's "cap" on film incentive payouts and a resulting backlog of past due credits. Santa Fe saw a downturn of about 25% over FY17 – a better-than-average performance and still a significant amount of economic impact:

#### **SANTA FE REGIONAL FILM PERFORMANCE MEASURES FY2016 - FY2018**

[Numbers rounded and subject to revision and updates]

	<b>FY2016</b>	<b>FY2017</b>	<b>FY2018 [5]</b>
Total Production Spend [1]	\$70,000,000	\$145,000,000	\$110,000,000
Economic Impact (3x multiplier)	\$210,000,000	\$435,000,000	\$330,000,000
Film Crew Work Days @12hrs/day [2]	57,120	118,320	88,740
Equivalent 8hr Work Days	85,680	177,480	133,110
Total Film Wages @ \$50/hr avg.:	\$ 34,272,000	\$ 70,992,000	\$53,244,000
Stage rental days [3]	810	1,346	888
SELECT Hotel Film Rentals [4]	\$1,013,900	\$1,641,395	\$1,083,321

#### **NOTES:**

- [1] Estimates based on state film office numbers, as a percentage of total production statewide.
- [2] Based on a four-year average ratio of 816 crew work days per \$1mm spend.
- [3] Estimates based on production occupancy, Garson and SF Studios, two stages each.
- [4] Based on self-reported numbers from a sample of hotels that do significant film business. This is only to illustrate the trend and does NOT represent total film-related hotel and short term rentals throughout the region, which is significantly higher.
- [5] FY18 financials came in at a bit over two-thirds of FY17 numbers. Statewide, production was down 50% due largely to the state "cap" on incentives and resulting credit backlog; Santa Fe performed better than average.

**FY2019** has seen a resurgence of production both statewide and locally, in anticipation of the state addressing issues with its incentive program. **In the Santa Fe region we project total production spend in FY19 to recover to the \$150mm range.**



## **SPECIFIC PERFORMANCE CATEGORIES**

### **INCREASE PRODUCTION FIGURES AND ECONOMIC IMPACTS IN THE GREATER SANTA FE REGION.**

\*\*\* SEE ATTACHED APPENDIX OF MAJOR PRODUCTIONS BY CATEGORY FY2016-19 \*\*\*

#### **MARKET THE SANTA FE REGION TO THE INDUSTRY.**

In 2019 we achieved a ranking for Santa Fe of #3 Best Place to Live and Work in North America (US, Mexico, Canada), cities under 500,000 population, by "MovieMaker" magazine, a publication of record for the production community. This is the third consecutive year Santa Fe has ranked in the Top 5. The ranking is based on amount of production, local service and support (including the SFFO), and general production environment. We consistently outperform locations with much greater populations and film office budgets/staff than ours e.g. Pittsburg, Cleveland, Austin.

#### **CREATE AND MAINTAIN A WEBSITE THAT IS INFORMATIVE, APPEALING AND USER FRIENDLY.**

The SFFO designed and maintains a fully functional website ([www.sffo.film](http://www.sffo.film)) containing virtually all pertinent industry information for filmmakers and the interested public, e.g. permitting, information on production incentives, locations, film festivals, local resources, information on how to get involved in the industry, etc. In FY19 we introduced a proprietary online permitting application and approval system on the county side of our operations. This has greatly simplified the permitting process while increasing its effectiveness (tracking, notifications, etc.). We are in the process of incorporating the City permitting to this system as well.

#### **PROVIDE "ONE STOP SHOPPING" TO PRODUCTIONS AND INTERESTED PARTIES.**

The SFFO serves as the main point of contact for all manner of solicitations and inquiries regarding the industry in the region. This includes production queries, business and community questions, press queries and planning, etc.

#### **LIAISE WITH THE COMMUNITY, LOCAL RESIDENTS AND BUSINESSES, AND THE STATE LEGISLATURE.**

Throughout the year the SFFO engages in numerous community outreach and coordination activities. For example, we work with local educational institutions like the Santa Fe Community College on special training and production projects. We also give multiple informational presentations to business and government groups e.g. the Municipal League, NM Bankers Association, the Santa Fe Chamber of Commerce, the Green Chamber of Commerce, the Southside Economic Development Group, the Lodgers Association, etc.

We work with smaller communities throughout the region to develop "best practices" for productions that do work in our outlying communities which can be disproportionately impacted by this activity.

Lastly, the SFFO works very closely with the legislature and executive to improve state production incentives during the legislative session and throughout the year.

#### **COOPERATE WITH CITY/COUNTY OVERALL ECONOMIC DEVELOPMENT EFFORTS**

The film/media industry touches a broad array of the general economy. The SFFO will continue to assist general economic development efforts such as:

- IT/Broadband access;
- Affordable Housing;



- "School to Job" programs;
- Transportation infrastructure;
- Maintainable economy;
- Etc.

#### **EXPAND OPPORTUNITIES FOR FILM TOURISM AND CULTURAL ACTIVITIES**

We are working to create a mobile "app" for self-guided tours and information on local production sites and visits, that locals and tourists alike can use to explore the region's past and present film activity. We are also working with various entities to explore possibilities around film festivals and other community events.

NOTE: The state estimates that **film induced tourism (FIT)** accounts for approximately \$500 million of the total annual tourism economy in the state. Insofar as Santa Fe accounts for about 20% of total tourism in the state, that represents another \$100 million in FIT to the local economy attributable to film and related endeavors. That means even *more* receipts to local government in GRT, lodgers taxes, etc. driven by the film economy beyond direct production, and is an effect that lasts well into the future.

#### **CONTINUE GENERAL COMMUNITY OUTREACH AND BUSINESS DEVELOPMENT ACTIVITIES**

The SFFO continues to engage the educational community, including high schools, re: training programs and industry opportunities. We will similarly continue our involvement with the general business community and related trade organizations.

We are also working with the state Film Office to develop more accurate tracking measures of local production spend and other economic indicators for the industry, which should give us an idea of where additional business expansion opportunities may lay.

- END -



## APPENDIX: MAJOR PRODUCTIONS FY2016 - 2019

FY 16-17

FY 17-18FY 18-19 (current year-to-date)

**UPCOMING:** There are currently 16 additional productions in various stages of scouting, pre-production, prep etc. that have not been officially announced and are NOT included in FY18-19 listing above.

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	ORIGINAL BUDGET	BAR'S	ADJUSTED BUDGET	EXPENDED	ENCUMB. BALANCES	AVAIL. BUDGET BALANCE	% REM.
COUNTY MANAGER								
SANTA FE FILM OFFICE								
SALARY & WAGES								
224-0123-436.10-21	EXEMPT EMPLOYEES	171,996	2,580	174,576	174,994	0	418-	0
*	SALARY & WAGES	171,996	2,580	174,576	174,994	0	418-	0
EMPLOYEE BENEFITS								
224-0123-436.20-01	FICA - REGULAR	10,664	0	10,664	10,540	0	124	1
224-0123-436.20-02	FICA - MEDICARE	2,494	160	2,654	2,465	0	189	7
224-0123-436.20-03	RETIREMENT CONTRIBUTIONS	35,328	567	35,895	35,944	0	49-	0
224-0123-436.20-05	HEALTH CARE	8,569	0	8,569	8,613	0	44-	1-
224-0123-436.20-06	RETIREMENT HEALTH CARE	3,440	52	3,492	3,500	0	8-	0
224-0123-436.20-08	WORKERS COMP (ASSESSMENT)	18	0	18	18	0	0	0
*	EMPLOYEE BENEFITS	60,513	779	61,292	61,080	0	212	0
TRAVEL								
224-0123-436.30-03	IN-STATE TRAVEL	2,500	0	2,500	703	0	1,797	72
224-0123-436.30-04	OUT-OF-STATE TRAVEL	10,054	2,000-	8,054	3,452	0	4,602	57
*	TRAVEL	12,554	2,000-	10,554	4,155	0	6,399	61
SERVICES								
224-0123-436.50-03	CONTRACTUAL/PROFESSIONAL	15,000	0	15,000	8,536	0	6,464	43
224-0123-436.50-15	SOFTWARE LICENSE/MAINTNCE	700	0	700	0	0	700	100
224-0123-436.50-90	OTHER SERVICES	10,000	7,400-	2,600	3,195	0	595-	23-
*	SERVICES	25,700	7,400-	18,300	11,731	0	6,569	36
SUPPLIES								
224-0123-436.60-07	OPERATIONAL SUPPLIES	6,050	2,000	8,050	6,538	0	1,512	19
224-0123-436.60-12	REHAB/PRGM/FACILITY FOOD	2,000	3,000	5,000	3,186	0	1,814	36
*	SUPPLIES	8,050	5,000	13,050	9,724	0	3,326	25
OTHER OPERATING COSTS								
224-0123-436.70-02	RENT OF LAND / BUILDINGS	0	0	0	390	0	390-	0
224-0123-436.70-03	TELEPHONE	1,400	0	1,400	614	0	786	56
224-0123-436.70-33	SEMINARS & WORKSHOPS	2,500	0	2,500	1,125	0	1,375	55
224-0123-436.70-37	PRINTING/PUBLISHING/ADS	6,000	4,400	10,400	10,461	0	61-	1-
224-0123-436.70-39	SUBSCRIPTIONS & DUES	3,000	0	3,000	750	0	2,250	75
*	OTHER OPERATING COSTS	12,900	4,400	17,300	13,340	0	3,960	23
**	SANTA FE FILM OFFICE	291,713	3,359	295,072	275,024	0	20,048	7

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	ORIGINAL BUDGET	BAR'S	ADJUSTED BUDGET	EXPENDED	ENCUMB. BALANCES	AVAIL. BUDGET BALANCE	% REM.
*** COUNTY MANAGER		291,713	3,359	295,072	275,024	0	20,048	7
*** ECONOMIC DEVELOPMENT		291,713	3,359	295,072	275,024	0	20,048	7
		291,713	3,359	295,072	275,024	0	20,048	7





